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AUTHOR Unwin, Richard
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ABSTRACT

SHE is a rural California home building corporation founded on the principles of self-help. Lacking sufficient capital to purchase or finance a home by conventional means, a low-income family may elect to "self-construct with SHE". A participant family agrees to invest its labor, up to 1,500 hours, in the supervised construction of its own home and those of other participant families in its building group. This investment is accepted in lieu of, and taken in trade for, an equity in the completed home. Equity accrued is of 2 types: (1) "sweat equity", paid for in physical labor and (2) "enterprise equity", a result of any managerial function in the housing process. Both are considered to have equal cash value. A group of 8 to 12 participant families attend a lengthy series of meetings over a span of several months prior to the breaking of ground. A self-help home calls for long-term financial obligation and many hours of labor. Therefore, recruitment focuses on those who possess both the will to attempt and the strength to continue. The oldest, largest, most abundantly successful effort of its kind in the U.S., SHE is now entering its 10th year of operation. This paper presents a narrative history of the programs, philosophy, and people involved in SHE. A table of funding sources and a family progress report are also included. (NQ)

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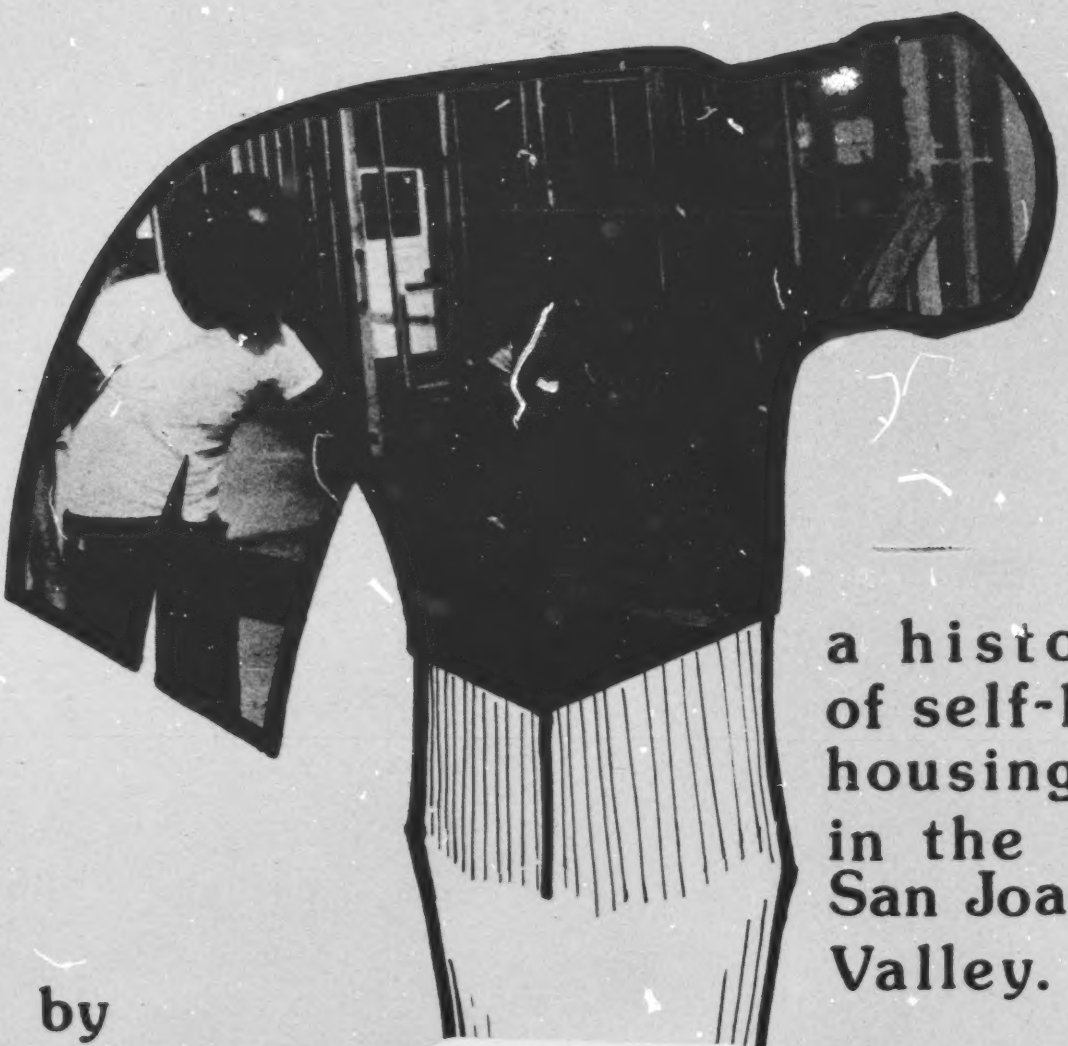
The Story of SELF-HELP ENTERPRISES



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a history of self-help housing in the San Joaquin Valley.

by Richard Unwin

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COVER PHOTO

Howard Washburn, Housing Project Director
American Friends Service Committee and
first Executive Director of Self-Help
Enterprises, with participant.

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THE STORY OF SELF-HELP ENTERPRISES

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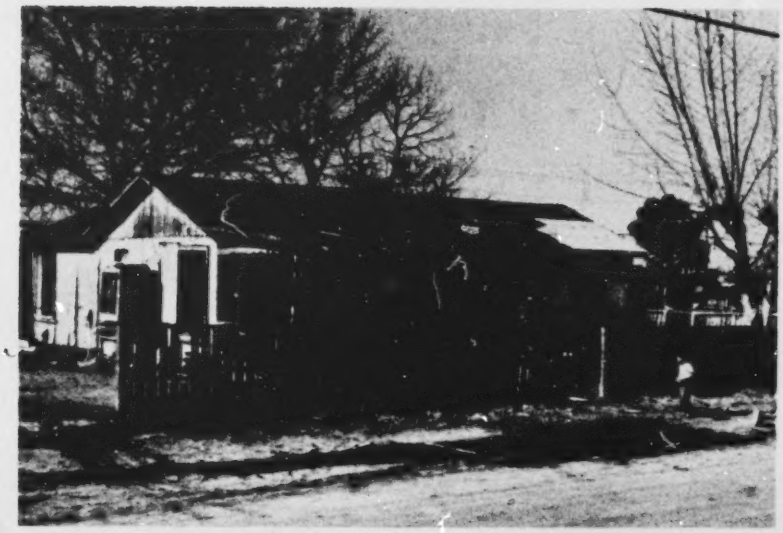
housing in the
San Joaquin Valley

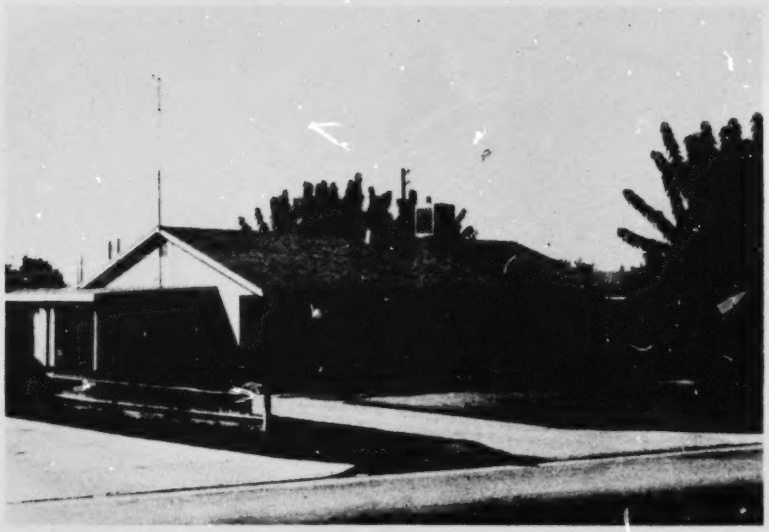
Written by

Richard Unwin
August, 1974

$2.00

Self-Help Enterprises
220 South Bridge Street
Visalia, California 93277





INTRODUCTION

This is a narrative history of the programs and philosophy and people of a rural California home building corporation called SHE or Self-Help Enterprises. It is a story of a singular effort, a sustained commitment, to develop imaginative, efficient and humane methods of assisting families to move up from poverty by moving out of riverbank shanties and roadside shacks into decent houses. It is a story of determination to make substance of dreams, of uncommon patience and unshakable resolve, of spirit often in contest with circumstance. And it is a story of success.

Self-help home building struggles in the San Joaquin Valley can trace antecedents back a number of years before passage of the Economic Opportunity Act (EOA) in 1964. Yet SHE has always exemplified in its founding purposes and in the conduct of its operations the true intent of that historic legislation. Indeed, one would be hard put to discover any organization having the elimination of poverty as its directional emphasis which has more completely managed "maximum feasible participation of the poor" in reaching for its goals. To the Federal Office of Economic Opportunity (OEO) created by EOA, the people of SHE owe much gratitude, for without the early encouragement and technical support of OEO, continued expansion and unparalleled growth would have remained only wishes on white paper.

Technical support, however, would have had only minor meaning without mortgage credit. Passage of the Federal Housing Act of 1961 enabled the Farmers Home Administration (FmHA) of the U.S. Department of Agriculture to grant long-term, low-interest loans to low-income rural residents for home construction. Federal financing of mortgage credit was an indispensable assist to SHE families and continues so today. Since 1971, FmHA has also supplied SHE with technical assistance funds, supplanting critical source support lost from OEO. Again, without these monies, SHE would have found it difficult, if not discouragingly impossible, to continue. That rural self-help remains a reality in California today is due in great part to the continuing support of FmHA.

Self-help invoked in any human endeavor creates an expansion of possibilities, uncovers within us capacities we may not have known we possessed, and allows confirmation to ourselves of our accomplishments. Mutual self-help, such as that practiced by SHE, may extend to a new knowledge of ourselves in relation to others, challenge our capabilities in the harsh light of public scrutiny, and urge us to reform a small portion of our environment and define it in a fresh context of community. Founded on principles of self-help, converting those precepts to practice, Self-Help Enterprises now enters its tenth year--the oldest, largest, most abundantly successful effort of its kind in the United States.

This is the story of SHE.

What it's all about...

The floor creaked and sagged softly as she walked across it deftly avoiding a dirty dish of water her oldest had set upon its splintered surface for the dog rescued from the rain one night, the dog which nobody had bothered to name, an indifferent life-form like the others in an indifferent shelter nobody called home. She walked out the door--as she had so many nights--where the wind coaxed a tattered curtain through the broken pane, and where the rain through the holes in the porch roof ran in cold little rivers off the stringy ends of her hair down her neck. She shivered. Joe's was warmer. Or maybe that new place where she had met. . . She worried about the children. But what good did it do them having her home and miserable? What good did she ever do them? Home was a place where the lights went out when you plugged the old toaster in, where the sewage backed up in the bathtub when you flushed the toilet, where water seeping through the roof nourished a streak of mold growing down the corner of the living room. . .

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AUTHOR'S PREFACE

It is here, in the prefatory comment, that one traditionally describes something of the content, bias and parameter of the piece to follow, ac-companied by the appropriate acknowledgements. Trusting that these will somehow surface in the text, I have chosen instead to use this small space to offer a personal note.

Reflecting over tea during a morning break in the hearings of the Senate Subcommittee on Migratory Labor in Visalia, California, 1966, Robert Kennedy of New York had just heard testimony from one of the participant poor in a new San Joaquin Valley housing program called SHE (Self-Help Enterprises). "You know," said the Senator, "I sometimes think that human beings are different from other people."

I often think about that observation and thought of it again this morning when I read that the most recent commander of our Nation's war on poverty had been forced out by an Administration which felt he had been too aggressively committed to trying to salvage something of the ideals of that constituency he was allegedly charged with the responsibility to serve. Obviously someone had misread his resume. Hardly a Washington first.

This year ends a decade of Federal effort to "alleviate the causes and conditions" of poverty in these United States. But there will be no balloons--the anniversary has become a wake. The reality of our collective resolve has vanished, having failed translation to the hard coinage of commitment. Only the rhetoric yet remains, muted now, running the language from one "continuing resolution" to the next.

If the poor are always with us, no less may be said for the rich, and it is we who have forfeited this fight as it was we who threw down our Congressional gauntlet and declared it would be won. Poverty, after all, can only afford the courage of other people's convictions. The poor, in the end, can be no more than partisans to the struggle. Our benighted attempts to respond to the precipitate stirrings of national conscience have, it seems, served to rob Peter solely to ransom Paul. Bringing an invisible people into the light--as Michael Harrington knew we could--we then led them on a ten-year trek into the shadows again.

Human beings <u>are</u> different from other people. Caring, like faith, requires acts of ultimate concern. We are not a generous people, we are not a good people if we ignore the sufferings of our own, if we place in peril those bonds of commonality among our kind. We must renew our spirits and gain a firmer purchase on our dedication if poverty is to be our foe and not the poor. Self-Help Enterprises, for its part, has made a valiant effort to keep this distinction alive in one corner of America.

Richard Unwin
August, 1974
Visalia, California

IMPRESSIONS

During the nine and one-half years of SHE's existance, I have been fortunate to share in eight. My impressions of those eight years are of families waiting and hoping for loan approvals; of families working hard and long to complete work on their houses; of staff working late to help those families; of gay fiestas celebrating homes finished and dreams come true; of frustration over seeing a family which needs a home desperately turned down for a loan due to bad credit; of exhaustion in trying to meet deadlines for a grant application; and of satisfaction in knowing that we have tried our best to make self-help housing work.

What one lady told my wife at an open house seems to sum it up. She said, "The first night I spent in my new home I was so excited I couldn't sleep. So I got up and walked around the house, looking at the walls, the ceiling and kitchen just to make sure it was real and I wasn't dreaming."

Robert Marshall
Executive Director

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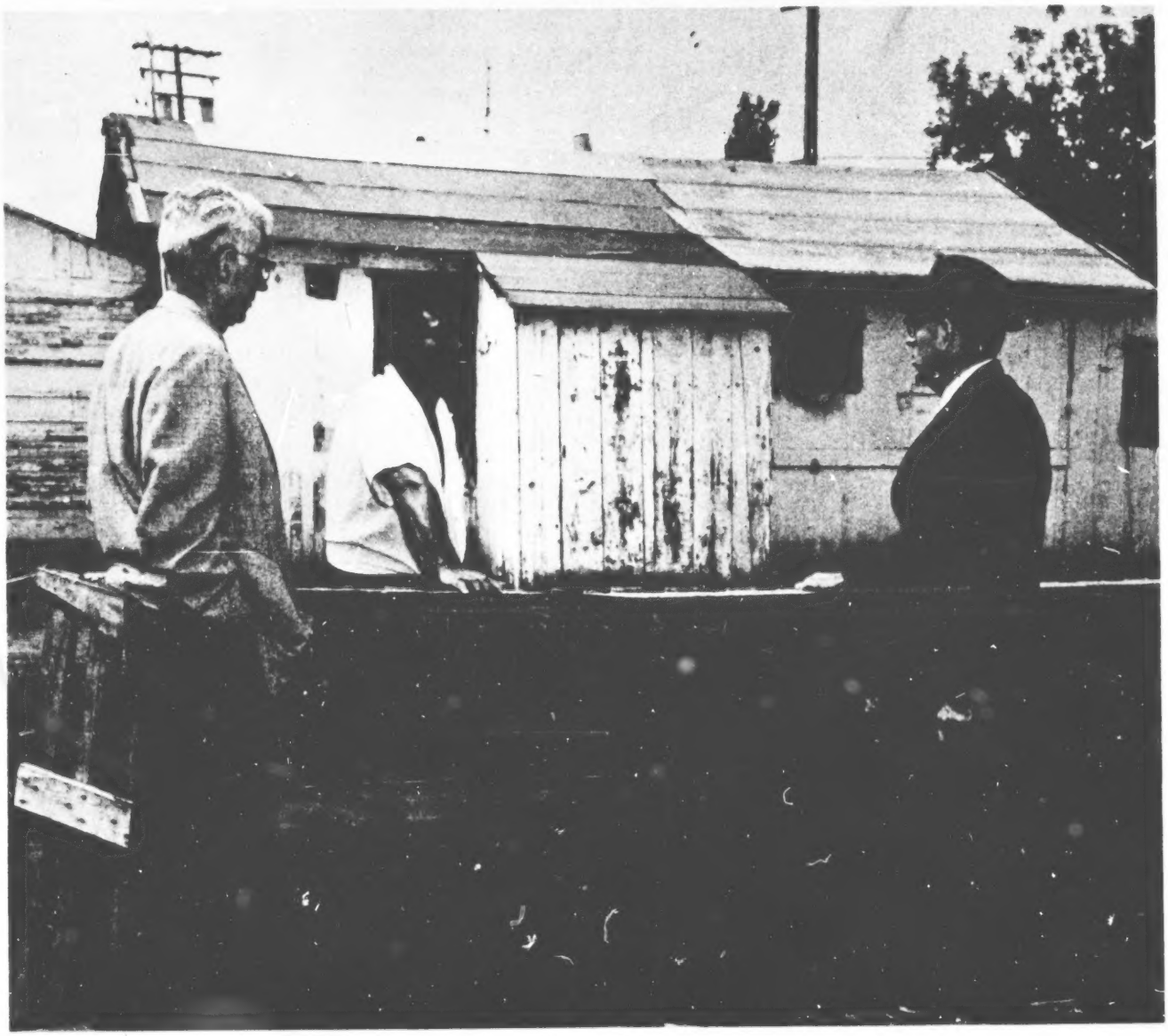

Bard McAllister
American Friends
Service Committee

Frank Jimenez
participant

Oliver Duval, State Director
Farmers Home Administration

A BELIEF IN BEGINNING

THE AMERICAN FRIENDS SERVICE COMMITTEE

It's irrelevant to speculate on how a thing will turn out, runs the old Quaker adage, for "if you have a belief in beginning, your faith will follow you through." To a meeting of the American Friends Service Committee (AFSC) that April evening of 1957, Bard McAllister brought just such a belief. Bard introduced the dozen men and women of the AFSC Farm Labor Committee to the concept of mutual self-help and told them the story of how self-help had been successfully applied twenty years before in construction of fifty houses in a small coal-mining settlement in Western Pennsylvania. That project, called Penn-Craft, had been sponsored by the American Friends. In that same year--1937--a group of Nova Scotia fishermen had also begun a self-help housing project, and that, too, had proved successful.

To the members of the Tulare County, California AFSC, it seemed that in these precedents could be seen a parallel to conditions under which many California farm workers live--a population of minimum incomes, limited available credit, and a critical lack of adequate shelter.

It was to be several years, however, before the Committee's plans could become a tangible project. Then, in 1960, Bard McAllister went to Washington and persuaded the Federal Commission on Agricultural Life to recommend legislation to enable farm workers to become eligible for housing loans. Bard helped write the legislation, duly passed and incorporated into the Housing Act of 1961, which permitted the Farmers Home Administration to make thirty-three year construction loans at four percent interest to low-income rural residents. But no money was available to purchase land to build on.

Selecting Goshen (an impoverished community on the western fringe of the county, a community whose name carries a Biblical promise of fruitful crops and rich pasture) as the site of its first project, the local Committee obtained $50,000 in loan and grant funds from the AFSC regional office in San Francisco for land purchase and technical supervision. Additional money as needed was to be contributed locally.

Under the guidance of Bard McAllister, the AFSC Farm Labor Self-Help Housing Project became a reality in 1962. A licensed building contractor named Howard Washburn was hired in that year to direct a successful three-year effort to construct twenty homes for twenty families on the barren ground of Goshen. In that first year, twelve families were found who were willing to join in what must have seemed a baffling experiment, this crazy notion that poor people--farm workers at that--could acquire the skills and lay out the labor, the long, punishing hours, to build their own homes. Of the twelve families, three secured home loans from FmHA. The others dropped out because of their own doubts or were unable to get FmHA loans. Three families stayed with the group, secured loans and became the first self-help home building group in California.

But Casas de Manana began to rise out of the alkali and for Tommy and Jenny Jimenez, building next to the board shack that had been their home since they married, a dream began to come true.

Construction started January 2, 1963. Their new home would contain 1,000 square feet, have three bedrooms and one bath--yet it "seemed like a palace" to the lady from Goshen, for it really contained their faith in a new future and held promise of a better tomorrow for their children.

"No other occupational group," said the Governor that year in speaking of California's farm workers, "has been the recipient of more study and less effective action, nor had its fortunes more entangled in public policy to less advantage." Fewer than twenty percent of farm workers lived in dwellings which could be considered adequate by "present standards of health, safety and comfort," and sixty-three percent of those dwellings occupied by general field workers were found to be dilapidated or deteriorated. The need was clearly present.

AFSC had decided to direct its energies to the housing needs of poor farm workers because the seasonal unemployment encountered in field labor meant that farm worker families would have some time to devote to the construction of their own homes. During the period of the initial demonstration project, several members of the Farm Labor Committee served in a policy-making and advisory capacity to staff working with the first groups of families and acted also as a screening committee for participants in the project.

As it became apparent that the demonstration project was nearing its goal of twenty homes and inquiries increased from numerous families interested in learning more about the "Casas de Manana" going up in Goshen, the Committee looked for additional funds, wanting an opportunity to continue the work it had begun.

Opportunity came with passage in 1964 of the Economic Opportunities Act, under Title III-B (Migrant and Seasonal Farm Workers) of which money could be made available to provide technical supervision and administration of a self-help housing program. Farmers Home Administration could still remain the source of construction loans. Governor Brown came to Goshen that fall and encouraged Washburn and members of the Committee to seek funds from the new Federal Office of Economic Opportunity.

In February of 1965, then, created from the sweat and spirit of pioneer achievement, AFSC obtained charter for a private nonprofit corporation to be known as "Self-Help Enterprises," whose sole purpose would be to "provide low-income farm labor families with the opportunity to build new homes using self-help techniques and thus enable them to break the costly physical and psychological bonds that accompany living in rural slums." Several members of the Farm Labor Committee agreed to serve on the initial Board of Directors and the staff of the original AFSC project became now the staff of SHE. Howard Washburn, whose stewardship of the Goshen effort had been critical to its success, agreed to become Executive Director--a man, like McAllister, with a belief in beginning and a faith to follow through.

SELF-HELP ENTERPRISES: The First Year

As a nonprofit corporation, SHE could and did apply for funds through the Tulare County Community Action Agency, Inc., (TCCAA) to initiate a three-year project to build forty homes. In April of 1965, the Migrant Division of OEO gave its approval for the first grant for self-help housing in the United States. By the end of the year, SHE would have formed a joint Tulare-Kings County Self-Help Committee and OEO would have approved additional technical assistance grants to projects in both Kings and Merced Counties.

From the beginning it was obvious that a close and careful working relationship between SHE and local Farmers Home Administration officials was crucial to the growth of the new organization. SHE organized the families into groups and provided construction supervision, but Farmers Home, as the prime source of loan funds for materials and contracts, was required to assume a major role in operations of the self-help program. FmHA had to approve site locations and house plans, cost estimates and construction standards in order to determine appraised valuations and set limits on their loans. Dealing directly with the home building family, FmHA had also to ascertain eligibility within its criteria, obtaining written documentation of income, assets, expenses, and debts. This information FmHA then shared with the SHE Construction Director to help him guide participant families to the type of home they could best afford. All this took time and delays and disappointments were numerous this first year.

Difficulties were encountered early in attempting to work within the regulations and guidelines of both OEO and FmHA, whose policies seemed often in conflict as well as constraint. OEO had set an income eligibility limitation of less than $3,130 for a family of four to earn in a year to qualify for SHE assistance, yet many families had large debts which rendered them ineligible for a loan under FmHA credit criteria and most of the poorest families with incomes averaging $3,000 a year could not qualify. It was apparent that financial assistance in the form of grants or deferred payments would be necessary to reach the lowest income group. In addition, FmHA money could not be used for the purchase of land and those families living in communities of more than 2,500 population could not receive loans.

Undetermined to do something about the problems. After much urging, FmHA in Washington authorized the California office to defer initial payment on the 40 housing loans for families in SHE projects. SHE staff and the Executive Director of its sponsor agency, TCCAA, went to Washington and, following a presentation of their arguments, helped draft legislation incorporated into the Omnibus Housing Act. Becoming law in 1965, the Act made provision for construction loans to include land costs, guaranteed bank loans in addition to long-term direct loans, and admission to loan eligibility of residents of communities with populations of 5,000 or less (thus qualifying farm workers in the cities of Lindsay, Farmersville and Woodlake, as well as those in all the unincorporated communities of Tulare County). Passage of this legislation represented a considerable achievement and a significant step forward for self-help efforts across the country. Requests poured into SHE for advice from projects newly forming in Texas, Arizona, Alaska, Pennsylvania and many California counties.

SHE was moving now--into Teviston, Earlimart, Orosi, Richgrove. Still experimental, organizational methods differed from community to community, from group to group. A new project in Goshen was a carry-over from the AFSC project; Cutler the result of individual home calls on prospective participants; Teviston a combination of work by a VISTA Volunteer and home calls by staff; in Earlimart, activity started with a well circulated notice in Spanish and English delivered by a Neighborhood Youth Corps (NYC) worker; Richgrove was pulled together by a single family calling on their friends and neighbors. Always pragmatic--the goal to build and build soon--whatever worked was used.

If approaches varied, so did the problems. Corcoran became mired for awhile over a population count. Teviston had to untangle gross inaccuracies in the legal description of lots, and reduce onerous liens and judgments against families. In Orosi loan applications were held up pending recording of a subdivision. There were difficulties, too, in the formation of groups. Sometimes SHE discovered much work to be wasted when it did not spend enough time in a community to find people with both a desire for decent housing and a willingness to work. It takes time for an unskilled person with an indifferent education and meager resources to chart a pathway into self-help knowledge and philosophy, time to develop a sufficient confidence in strangers known only as "advisors" or "supervisors" or "staff." SHE learned this lesson early, and began to devote more of its manpower to advance activities, cautious scheduling and careful planning.

The most pressing problem of this period, however, centered on land--the location of land, its size and cost, the availability of money to secure timely options. Only in Teviston did families already own or were buying land. Everywhere else money had to be raised that first year from private sources. Raw land had to be developed within a reasonable price range--difficult in a State where rural land costs are four times the national average--and parcels located which were adequately surveyed and at least minimally improved.

Sensing that an enormous effort still lay ahead if those projects contracted for were to be carried through to completion, the Board of Directors of SHE wisely resolved to confine active program development to the eight counties of the San Joaquin Valley.

Late in 1965 organized self-help housing came into its own when AFSC sponsored the first National Conference on Self-Help Housing at Airlie House in Warrenton, Virginia. Seventy-five men and women from Canada, Mexico and the United States came to this conference to compare experience, exchange methods, discuss potential resources and consider

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legislative needs. Discovering they could best attain their individual goals by acting in concert, they formed International Self-Help Housing Associates (ISHHA), a new organization founded to correlate the experiences and strengthen the self-help concept worldwide.

During this first year, AFSC continued to support SHE with a grant of $8,000, and a $20,000 a year commitment for three years was obtained from the Rosenberg Foundation in San Francisco to help pay staff training costs and the increasing demands made on SHE to provide outside consultant advice to other projects.

Administratively, SHE was governed by a Board of Directors of nine persons, all of whom served voluntarily and with no remuneration. A State Advisory Board was also appointed to serve in a supportive and counseling capacity and numbered among its members the State Directors of both OEO and FmHA. In each area in which SHE became involved, county committees were formed from local residents, each committee represented by a member on the Board of Directors. These county committees were delegated considerable authority in the local policy and operation of projects within their county boundaries and shared a joint responsibility with SHE for appointment of County Directors and other staff. Although all accounts were controlled centrally, officers of the county committees and their directors were extended check signing authority as appropriate, in conformity with SHE policy of decentralized services and broad local autonomy.

Mid-summer of 1966, SHE lost its founder and first director with the tragic death of Howard Washburn. It had been Howard, more than any other, who had been responsible for nurturing the new organization and bringing it to full promise of its long-cherished ambitions. With his death, wrote the Governor, "we have lost an unselfish, dedicated and deeply committed public servant and I share in the gratitude of all Californians for his historic efforts in alleviating poverty and misery among our people."

Jim Stein, a long-time supporter of self-help who had been credited with securing the first FmHA rural housing loans ever given to farm workers, assumed temporary position as Acting Director. On November 13, 1966, the Board of Directors of SHE selected Robert Marshall as their permanent Executive Director, and Jim resumed his job as Director of Community Development. Bob Marshall, a teacher by training and carpenter by avocation, first hired by AFSC for a Philadelphia self-help project in 1952, thus began a tenure of leadership which continues to this day.

Tommy Jimenez, participant Howard Washburn

THE SELF-HELP CONCEPT: A PHILOSOPHY AFFIRMED
A PROCESS APPLIED

What It Is--The Idea Observed

Self-help, in one or more of its many forms, is probably as old as man's search for shelter. At its simplest, it is no more than the application of a personal initiative to the resolution of a private grief. In a more social context, and especially for the poor, it becomes both tool and weapon--a ready implement to be used in the struggle for improved circumstance, a necessary addition to a ragged arsenal against those dark forces which seemingly conspire to impede advancement.

For the self-helper, the enemy may often be found within; and self-help's most important victory may be won against self-doubt. To a new family--curious, hopeful, skeptical--a first encounter with a self-help concept may seem bewildering, alien, disappointing or even ludicrous. Yet should they choose to commit, that commitment must be total. Self-help depends on this degree of affirmation for success, and the enormous expenditure of energies in this program demand it.

Lacking sufficient capital to purchase a home in the conventional way and sufficient income to finance a purchase by conventional means, a low-income family may elect to "self-construct with SHE." This means that a participant family agrees to attend a lengthy series of meetings covering a span of several months prior to the breaking of ground, and agrees further to invest of their labor, up to 1,500 hours, in the supervised construction of their own home and those of other participant families in their building group. This investment of time and toil is accepted in lieu of, and taken in trade for, an equity in the completed home. Equity accrued is of two types: that which is paid for in physical labor and known as "sweat equity", and that which comes as a result of any managerial function in the housing process, referred to as "enterprise equity." By far the greater portion of effort in SHE involves the first type, a kind of manual exertion down payment. Both are considered to have equal cash value.

A complete self-help cycle, from organization to actual occupancy, is a long, arduous course, an agonizingly slow reach to reward. Each family must understand that a self-help home represents a major family decision, calling as it does for long-term financial obligation and for many hours of labor. Recruitment must necessarily focus on those who possess both the will to attempt and the strength to continue.

As with most of man's creations, self-help is vulnerable to its own special set of failings, the more so because it is predicated on human incentives rather than impersonal systems and must be responded to from within. "The self-help process," writes Richard Margolis, "is a delicate device; it should be democratic but not anarchic; technically competent but not arcane; structured but not rigid; and administratively sound but not--in the worst sense of the word--bureaucratic."

How It Works--A Self-Help Group

It was discovered in the beginning that many rural residents who might summon sufficient motivation to go through the grueling ordeal of building their own homes often lacked the organizational skills requisite to such a task. Self-initiation in the absence of access to information and institutions was a near impossibility. Attempts to effect a cohesive combination of resources, secure qualified technical assistance, and break through a seemingly impenetrable maze of governmental regulation required a degree of organizational ability not normally expected of the poor.

For SHE as an agency with limited funds, initial selection of staff reflected the obvious need to find people skilled in the complexities of construction yet proficient in the dynamics of group interaction and sensitive to the basic purposes of the program. Later it would become possible to separate out many tasks as more staff were hired and additional services offered. But in the beginning, key SHE personnel had to be able to play both carpenter and counselor, move easily from meeting hall to building site, acquiring experience in dealing with suppliers, funders, inspectors, regulatory agencies and, of course, the groups themselves.

The group--those eight to twelve families who band together to build together--is the core component of the self-help process, to the formation of which all recruitment activity is directed and around the existence of which all ancillary services are planned. It is to the group that staff must bring its most sophisticated skills and knowledges and from the group that the highest level of sustained involvement is demanded. The self-help group is a fragile and somewhat artificia construct--it can, and sometimes does fall apart after weeks of effort for any number of reasons--personal jealousies, racial antagonisms, friction with staff or fellow participants, debts, deaths, disputes over methods or money. Even after homes are up and occupied, it is inevitable that some families will find the change from their previous conditions too extreme, their new life style unmanageable and confusing. For those accustomed to budgets and ways of living compatible to one-room shacks and maintenance-proof shanties, the sudden shift to a minimum modern standard two-or three-bedroom home may require behavioral and economic alterations too radical for the very low-income. They may not be able to afford furnishings consonent with their new surroundings, or recognize the legitimacy of property tax, or be able to pay for or appreciate the advantages of continued maintenance. Or, feeling the financial necessity to meet these and other family obligations not related to their home, they may fall delinquent in repayment of the capital cost, slip unwittingly into default and face foreclosure and eventual eviction.

It is obvious, then, that SHE staff must experiment with every promising approach, develop and refine each successful method uncovered, to reduce the many risks inherent in such a program to a tolerable fraction. With this as the goal, SHE

devoted many months to the planning and preparation of its own internal system of guides, detailing for its own use the successive phases of the self-help process and the contents and necessary accomplishments of each phase.

Basically, SHE services are delivered within three categories of programming: those which occur during the lengthy period prior to construction and collectively designated as Home Ownership Training; those which are given during the equally lengthy period of construction; and those provided as subsequent service to the family after actual occupancy.

It is not possible here to speak in any depth about these services. Yet, because an understanding of what takes place within the self-help building group is critical to a proper perspective of the self-help process in its entirety, we should look briefly into a summary of its activities.

One of the first topics covered with a new group is the Rural FmHA Housing Loan Program of the Farmers Home Administration. This program--the source of mortgage credit for SHE home builders--is designed "to provide families who do not have adequate housing an opportunity to have a decent home in their own rural area." FmHA's requirements are restricted to persons who . . .

. . . are without decent, safe and sanitary housing for their own use,
. . . are unable to obtain necessary credit from other sources,
. . . have dependable income to repay the loan, cover taxes and insurance and maintain the home while satisfying their other family obligations,
. . . live in rural areas or in towns not over 10,000 in population that are rural in character.

Working out of SHE Area Offices in Modesto, Fresno, and Visalia, a staff having recruitment responsibilities contacts potential participants, explains the SHE program to them, and obtains the information required for a home loan application. The Recruiter's goal is to complete a sufficient number of preliminary applications to make possible a viable building group in a particular locale. Once families have been recruited, and have a realistic understanding and acceptance of the program, Home Ownership Training is begun. Concurrently, a SHE Loan Processor has reviewed the applications submitted by the Recruiter and assembled the additional information necessary to complete the loan docket for FmHA. It is the Loan Processor's job to review the docket with the family, make arrangements for a FmHA family interview and submit the completed docket to FmHA's office. When building finally begins, a Construction Supervisor directs on-site activities, having the responsibility of making cost estimates, assisting families with plan selections, supervising each phase of construction, and certifying each house as complete.

Land is usually purchased or optioned by SHE in a chosen area prior to formation of a group. This land must be obtained at a reasonable price and must also be approved by FmHA. If a family already owns a suitable building site, they may build on it and thus reduce the amount of money they must borrow.

Initial costs to the family include $30 for accident insurance, a plumbing fee of $25 and a tool rental fee of $100, a credit report charge for FmHA of $12, and purchase of $20 in hand tools. A small group savings account is also set up to cover such group expenses as chemical toilets, tool sheds, ladders, etc. A decision on the size of this fund and how it will be spent is left to the group.

Partially because of these and other unanticipated, though nominal, expenses, all home loans include one year's prepayment. This allows families to complete construction without the added financial burden of beginning immediate repayment of their loans. The actual loan funds are deposited in a supervised bank account with each check signed both by the borrowing family and the FmHA County Supervisor.

The technical assistance provided through SHE at every stage of program support--from group formation to home occupancy--requires an intensive maration of scheduled and fully attended meetings. Participation in these weekly sessions are considered sufficiently crucial that each family must sign an Organizational and Membership Agreement in which attendance is acknowledged as a part of the family's obligation to the group. Meetings are chaired initially by SHE staff until group officers are elected, after which membership presides over its own discussions. The Agreement also establishes the general structure of the group: its functions, its organization, and its rules. Some groups may vote to give themselves a name ("Casas de Futuro"). Members of the group vote democratically and make decisions about all matters that affect the success of their working together during construction, including solution of any individual or family problems affecting membership in the group. Obviously, the possibility of a group continuing to function as a community organization after homes are built should be a desired result of the self-help process. At a minimum, SHE encourages group members to assist one another with future problems which may arise in home maintenance, landscaping, repair, or communications with the lending agent or with staff.

Home Ownership Training is the name given to the sequence of events which precede completion of construction and which prepare the family for committed participation to the self-help process and eventual ownership of property. There are five phases to the process, some longer than others, each linked carefully to the next.

In the first phase--Preparation for Loan Submission--families receive a thorough understanding of the SHE program and the extent of effort which will be asked of those electing to participate. During this series of meetings, families are provided with the opportunity to begin their development into a cohesive and purposeful group. Essential house plans, loan calculations and loan documents are prepared for submission to FmHA, and methods of lot selection are discussed, then the

Building Program Agreement entered into. This phase covers the period from the time of group formation until the time of loan docket submission, usually two and one-half to three months.

Phase two--Consumer Education--occurs during the time that the group members are awaiting FmHA action on their loan dockets and lasts about three months. The topics with greatest priority in this phase are insurance, taxes, credit, and loan closing. The purposes of this phase are to provide information applicable and relevant to the needs of a new home owner (which may prevent future delinquency) and information pertinent to the management of money which may help families to become wiser consumers and use their resources to maximum advantage. Property taxes are discussed, the cost of credit, the roles of title companies and escrow officers, and the need for a controlled family budget.

Phase three--Preparation for Construction--lasts six weeks and occurs subsequent to FmHA action on the families' loan applications. After loan approval and prior to closing, group members are given specific information relating to the construction site, tool use, and payment of bills.

Actual construction takes place during phase four and may last eight or nine months. In this time there is usually a minimum of one meeting per month to discuss subjects bearing relevance to home ownership. Here families are assisted in the choice of exterior and interior color for their homes, additional consumer education topics discussed and earlier information reviewed.

Prior to moving in and as close to the end of construction as possible, families are required to attend four meetings. These meetings constitute the fifth phase--Preparation for Moving In--and are designed to provide final words and a summing up of the responsibilities of ownership.

And at last comes Open House.

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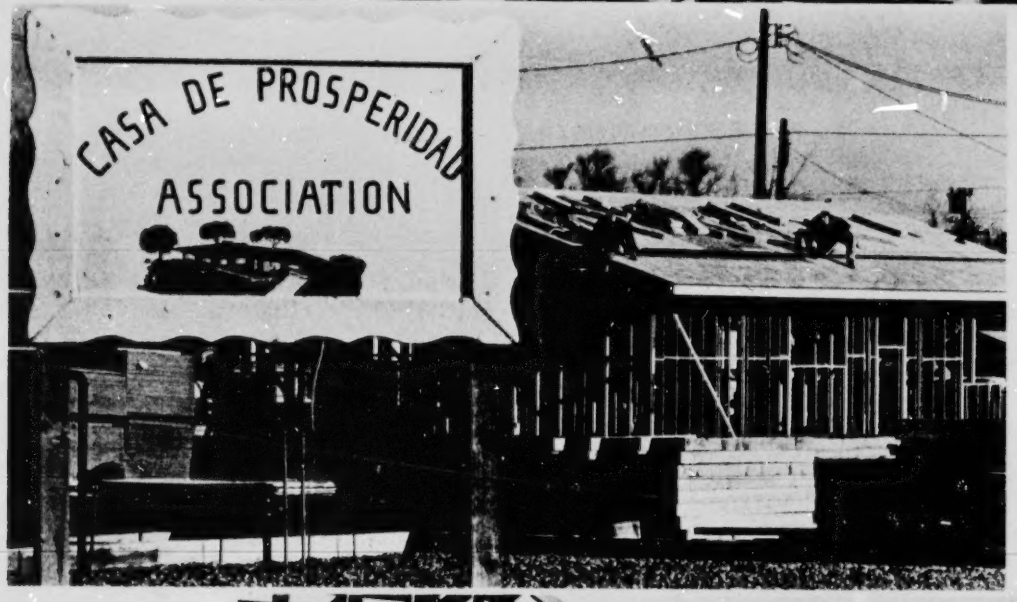
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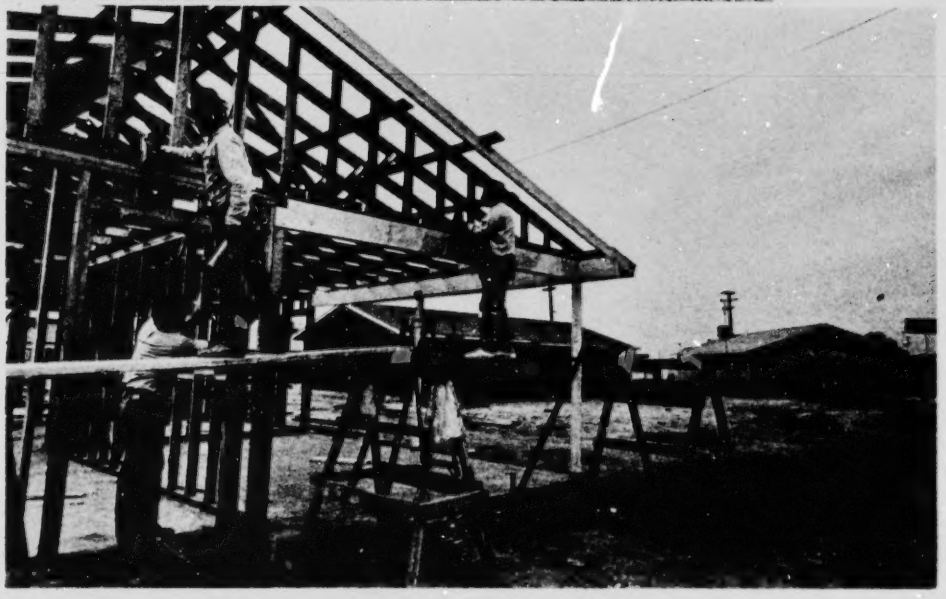
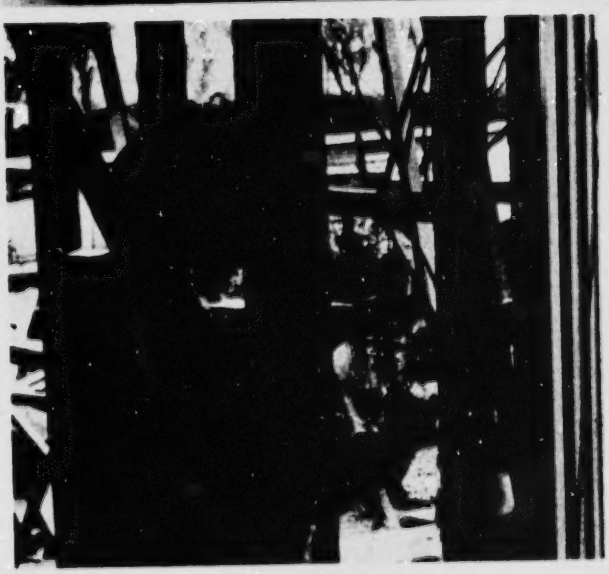
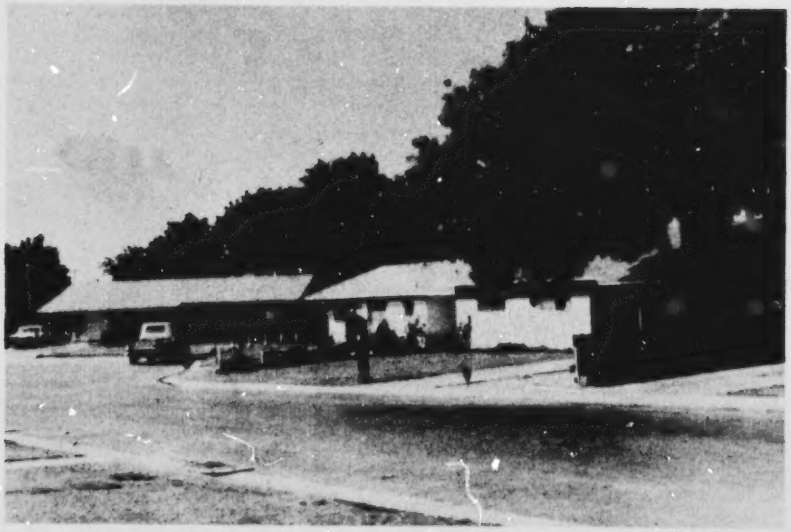
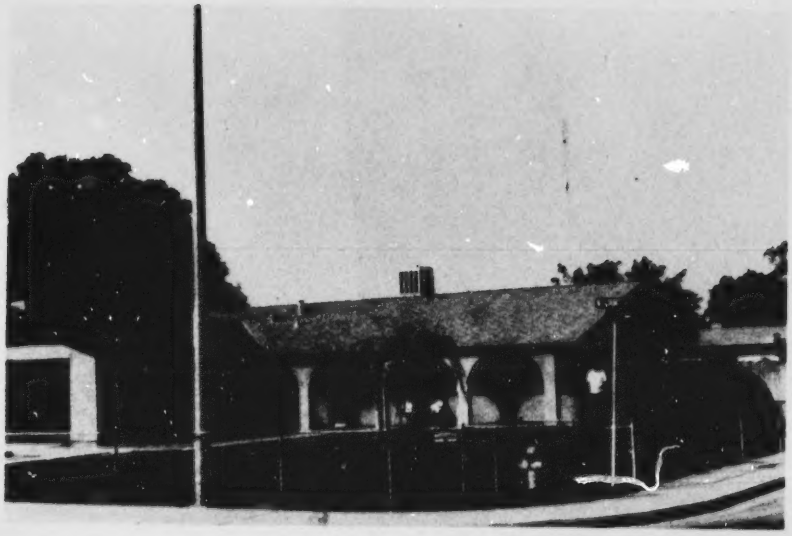
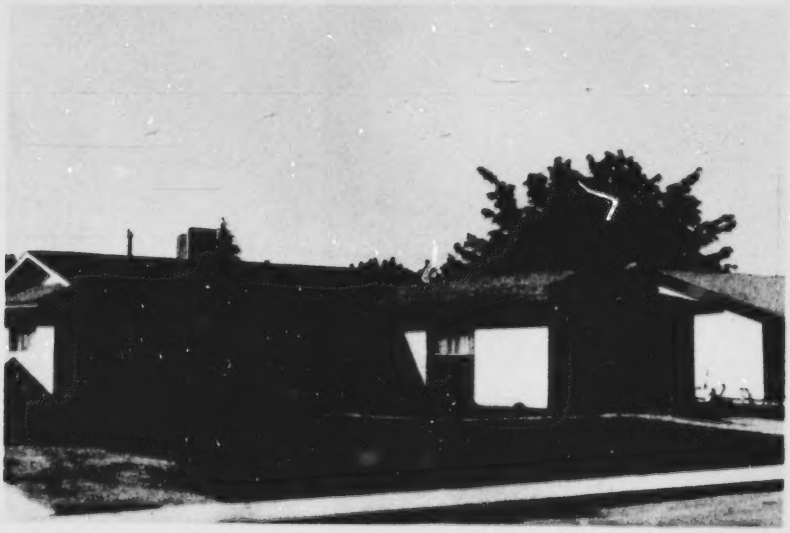


Sixty percent
of the work
is done
by women









SELF-HELP ENTERPRISES

Growth and Expansion (1965 - 1970)

When Bob Marshall became chief executive officer of SHE, the San Joaquin Valley Self-Help Housing Proposal was in draft form and would ultimately be funded to extend technical assistance services to six of eight target counties at a cost of nearly half a million dollars. Yet in spite of this largeness, SHE found itself in the Spring of 1966 on the edge of dissolution because of governmental delays in getting loans processed and approved, and problems it faced internally in creating capital to purchase properties, sustain group interest and morale, and time its significant activities to happen on schedule and within a reasonable time projection.

Many families found themselves caught in a cruel eligibility squeeze between OEO's idea of who might be considered impoverished and FmHA's criteria governing who might be accepted as a good enough risk. Always mindful of its mandate to serve the lowest income families, SHE attempted to obtain a small amount of money from OEO which would have allowed for a grant up to $1,500 to those unable to qualify for FmHA loans. OEO's position--which remained unchanged--was that poverty funds should not be spent for "bricks and mortar," an analogy that itself remained unclear. For its part, FmHA insisted it would loan funds only for bricks and mortar, maintaining that their commitment extended only to provision of funds for a "modest, safe, standard home" and nothing more. Fences were out, fireplaces were out. And even though these "luxuries" could have been bought with money saved through shrewd buying and hard work, FmHA decreed that all money not expended at the time of completion must be returned and applied to the tail end of the loan. To the families, of course, the feeling was that the difference between a thirty-three year loan and a thirty-two year loan was not as important as keeping their children in the yard and using free wood obtained on their job in their fireplace--and there was understandable resentment.

Late in 1966 SHE made a formal transition to independent county operation with new staff trained in Tulare or Kings County where construction was in progress. Wishing now to additionally serve low-income families who were not farm workers, application was made for OEO Title II-A funds (not restricted to "migrant and seasonal" families), but unfortunately this application was rejected. SHE was rural and therefore "migrant and seasonal" in scope to OEO/Washington and so it would remain.

One hundred and one homes were under construction going into 1967 and staff was working with 265 families. A new construction guide had been written and a firm policy established on cost control. Considerable effort was expended to develop "quick, easy, cheap, and efficient" methods of construction and to this end a great many new materials and techniques were investigated. Those that proved suitable were incorporated.

A catalogue of self-help designs offering 20 different floor plans was drawn up in bold, simple form. It was SHE's intention, strongly supported in the communities where SHE was building, to offer a variety of layouts leading to modest homes not easily identifiable as having been self-help built. But FmHA questioned the need for "quality design," prefering a more minimal unit, and citing lower design standards in other parts of the country to support their contention that SHE homes were too extravagant in concept and therefore excessively expensive.

The problem of land acquisition was somewhat diminished by the inclusion of a $70,000 revolving loan fund in the grant for 1967 and an allowance to commit these monies for up to two years, thus permitting orderly development of land in anticipation of need. But in several areas, notably Fresno County, there was a serious shortage of lot sites in small communities having water, sewer, and gas facilities available at reasonable prices. Land costs also began to rise and SHE was forced to raise its ceiling on lot sites from $1,500 to $2,500. In order to reduce costs, SHE began to do some of its own subdivision work on raw acreage.

By this time there had been such an increase in self-help home building programs across the Nation that FmHA was running out of funds. In March (and partly responding to President Johnson's policy of eliminating direct government loans) FmHA announced that it had exhausted its four percent direct loan money and was switching to five percent insured notes. This one percent increase, representing a $5 per month increase in payments, had an adverse affect on groups scheduled to close loans and a few families dropped out. Too, the greatly increased building activities of SHE in the San Joaquin Valley had placed an unexpected burden on understaffed FmHA county offices, resulting in fragmented and often erratic programming due to delays in processing loans through Farmers Home. The problem was further compounded late in the year when a flood of loan applications for contractor-built, low-income private housing poured into FmHA. SHE had pioneered this type of loan and FmHA picked up the idea and transported it to ten other states, urging contractors to get private builders into the low-income market.

The SHE economic superstructure has always been dependent on Federal funding philosophies and the Congressional whimsies of annualized appropriations. At odds with FmHA over the "bricks and mortar" issue, SHE now found itself caught in a crossfire with OEO. Funds for rural areas were seriously threatened in 1967 as conflict raged within that agency between advocates of rural reconstruction and proponents of urban relocation. A Migrant Division director supportive of rural self-help efforts was deposed and replaced by another who pledged to cut back Federal dollars to rural areas and use what funds were spent to prepare the poor for a move to the cities. The issue here ostensibly centered on questions of academic economics, but it went to the heart of the fundamental purposes of the war on poverty itself and would have lasting impact on OEO and the life of its rural agencies.

As the year ended, SHE began to uncover problems with many families who were encountering difficulties in coping with the financial responsibilities

of owning a new house. SHE's educational program it was discovered, was helpful but too often inadequate preparation for participant ownership.

The major problems still inhibiting the growth of the program, however, remained the continuing and critical shortage of land acquisition funds and the scarcity of reasonably priced lots. A partial solution to this problem came with OEO's $1,295,00 grant award for 1968 in which SHE was allowed a three-month advance on funds for land purchase and development, but as this money had to be put back into the program at the end of the grant period, it provided only a temporary measure of relief.

On August 1, 1968, the President signed into law the Housing and Urban Development Act. The Act authorized the Department of Agriculture to fund nonprofit organizations, such as SHE, to implement self-help housing programs for all low-income, rural residents--irrespective of their source of income. As SHE's OEO grant permitted it to work only with migrant and seasonal farm laborers,it was hoped that these funds could be used to supplement technical assistance support from OEO.

The legislation also instructed the Department of Housing and Urban Development (HUD) to undertake demonstrations of self-help housing in urban areas, and directed the Federal Housing Administration (FHA) to guarantee long-term financing, mortgage insurance, and interest subsidy credit. This last--interest subsidy--was considered especially significant for the low-income, as it permitted loans to be subsidized through commercial lending institutions down to a minimum of one percent--based on family size and income.

Although funds were not immediately available from FmHA under the technical assistance provisions of the Act, SHE did apply for and receive ten grant reservations from the FHA for a Section 235(i) urban housing project in Visalia. A urban housing specialist to direct the project was hired through funds made available by the Ernst D. van Loben Sels Charitable Foundation.

This project represented a new directional move for SHE and differed in many ways from its experience to date. Unlike the OEO/FmHA combination, FHA/HUD did not permit funds to be used for technical assistance. Thus the costs of administration and supervision had to be funded into the loans. A drawback, too, was the high cost of financing for construction materials (the cheapest money available going for nine percent plus three points). To offset this liability, in part, SHE raised $45,000 from private individuals. Participants in this program would include taxes and insurance as well as principal and interest in their monthly payments. Their total mortgage amounts would be higher than those in the FmHA/OEO program but--with interest credit--monthly payments would remain about equal, averaging $55 per family.

SHE also made application under Section 221(h) of the Act for a housing rehabilitation project in Visalia involving 15 families, and obtained a FHA reservation of $95,600 for this effort. Unfortunately, after months of work by staff and VISTA, the proposed project was rejected by FHA on the basis that "condemned houses are just not feasible" for rehabilitation under existing regulations.

As 1969 approached, delinquencies in loan repayments emerged as a serious problem and in its 1969 grant award of $1.2 million, ten percent of project funds were set aside to increase supportive services to families, particularly to strengthen counseling and consumer education. This year, too, saw FmHA increase its interest rate to six and one-fourth percent, responding to a tight money situation nationally and corresponding difficulty in selling their notes. In order to help the lowest income families to remain eligible, OEO through the Rural Development Corporation (RDC), made available to SHE $45,000 for grants, of which up to $1,500 per family could be used to reduce outstanding debts.

Prior to completion of the first HUD-235 project, SHE applied for and received an additional one hundred grant reservations, enabling urban housing groups to begin in the cities of Fresno, Madera, and Merced. A second project was begun in Visalia aided by interim financing in the form of an $84,000 no-interest loan from the national office of the Episcopal Church. Fresno Model Cities provided $16,000 to defray technical assistance costs within their boundaries, and VISTA Volunteers provided much of the group work to all urban projects. However, in spite of efforts to keep costs to a minimum, the average mortgage amounts in the urban self-help program were $10,500 as opposed to $9,000 in the rural projects.

Land had been a major problem in the urban program as well, but in 1970 SHE received a contract from HUD for a loan and grant to be used for land acquisition. This contract provided for a $150,000 loan fund ($1,500 per lot) and a $25,000 administrative grant, creating an extremely important asset to the urban building effort.

SHE celebrated its Fifth Anniversary in May of 1970, a year marked, like all the others, with frustration and reward. But this fateful Spring a more ominous shadow fell across the self-help program as OEO requested a phase-out of use of advanced funds for land purchase, and announced a reduction in grant support of $200,000. Services would have to be cut back, staff laid off, and greater reliance for rural land loans placed on FmHA. Ironically, these decisions came just as a HUD-sponsored evaluation of self-help organizations nationally confirmed the need for substantial increases in technical assistance support and greatly enlarged land loan funds established on a permanent basis.

EXPERIMENTS, INNOVATIONS, AND TRENDS

"It is self evident," wrote the Ford Foundation to SHE, "that decent housing for everyone--meaning adequate facilities, proper sanitation, and enough space for individual privacy--should be an irreducible minimum in any war against poverty." But to provide that minimum at a reasonable cost, and within the broader social context of self-help concerns, would prove very difficult indeed. All too aware of constant pressures to increase production and reduce expenditures, SHE experi-

mented with many methods to simplify production and hasten completion of homes. Numerous techniques were explored, designs discussed and discarded, and the self-help process itself tentatively extended into new areas of work such as plumbing, stucco, spackling, and truss building. Some ideas proved successful while others failed, but from each was extracted valuable experience in building the self-help homes of tomorrow.

A grant of $20,000 from the Rosenberg Foundation in 1967 enabled SHE to develop three experiental home models in its original community at Goshen. A new low-cost home design developed from this experiment became known as Modular Plan 10, later renamed Project 21. Research in these projects was directed at development of new ways of building, especially adaptable to the skills of self-help groups, and led to special funding by OEO for additional materials research and development.

The Project 21 experiment was formed around the needs of potential participants who did not qualify for FmHA loans because of inadequate or unstable incomes. For these families, RDC was to provide $1,500 grants. FmHA approved the design, agreeing to make a loan on it, and construction of a prototype began in April, 1968. Materials costs for the prototype ran $4,500, or about $1,500 less than other SHE homes of its size, and it could be assembled in about 500 hours.

A second Experimental Core house was subsidized and designed by the architectural firm of Hirshen and Van der Ryn for SHE to build. The intent of this design was to allow for a more rapid on-site construction time. Kitchen, bath, laundry, and utility core comprised the center of this house, a completed unit which could then be set upon a concrete slab, and bedrooms and living space built around it.

The Bravo Industries experiment of SHE and the SHE Cabinet Shop (discussed under SPECIAL PROGRAMS) were also a part of staff's continuing search for economic, practical, efficient, and time-saving tools for the self-help process.

It was during this fertile period of inquiry and innovation that SHE grew to prominence as the outstanding national model for rural self-help homebuilding. As consultant, planner, legislati advocate and pre-eminent exemplar of creative programming, SHE services were in constant deman Requests for technical assistance and advice or few words of encouragement streamed in from here and abroad. Many self-help projects in other states (and several in other countries) sent the observers to SHE to learn the story of its succe and hopefully pick up information which might prove valuable to their own programs. Recognizi SHE's accomplishments and emerging role in the self-help field, OEO in 1968 presented a Nationa Rural Service Award posthumously to SHE founder Howard Washburn, SHE's first Executive Director.

The Executive Director was invited to present testimony before the House Banking and Currency Committee. Urging passage of legislation to expand self-help housing in the United States, Bob Marshall specifically recommended to the lawmakers that substantial funds be allocated through HUD to FmHA for rural technical assistance, that the government subsidize interest do to one percent on loans to low-income families, and that money be provided to HUD for short-term no-interest land loans. These recommendations would become legal realities--a credit to SHE an to the advocacy efforts of the National Associat of Self-Help Housing Project Directors, whose Secretary was Bob Marshall.

SHE had always worked closely with ISHHA (rename the Rural Housing Alliance in 1969) and its dynamically aggressive director Clay Cochran. ISHHA had been formed to provide advisory servic to self-help sponsors, and to offer a central source bank of information on experience with self-help methods in both process and programmin Yet it quickly grew to become a major force in shaping national self-help strategies, and devel oped into a potent political ally of self-help supporters everywhere. To ISHHA must be given significant credit for whatever measure of succe individual self-help sponsors have attained and for creating Congressional precedents having a lasting impact in the self-help field.

SPECIAL PROGRAMS AND PROJECTS

Volunteers in Service to America (VISTA)

Beginning with that first Volunteer who pulled together thirty men in the back of a barbershop in Teviston in 1965 to explain a strange, new concept called "self-help," VISTA Volunteers have given their talents and energies to SHE for nearly ten years. Without the contribution of their efforts--in education, training, construction, organizing, planning, and scholarship--self-help in the San Joaquin Valley could not have achieved many of its goals nor have experienced the rewards of rapid and sustained growth. Always an integral--and increasingly essential--part of SHE, Volunteer support would become critical as program funds were cut back, forcing SHE to rely exclusively on VISTA to maintain many services and fulfill crucial program commitments.

It would be impossible to give an accurate estimate of the number of Volunteers who have been associated with SHE. There have probably been well over a hundred: community Volunteers and national pool Volunteers, Volunteers in training, visiting Volunteers, people sponsored directly by SHE and others loaned out from various agencies around the Valley. SHE has obtained the services of VISTA architects and social planners, economists and statisticians, carpenters and community organizers, credentialed business administrators, certified public accountants, social workers, nurses, seamstresses, and teachers.

VISTA Volunteers were partly responsible for the success of SHE's urban housing program, finding building sites, locating participants, assisting with loan applications and actual construction. Most of the work on the Housing Rehabilitation effort under HUD/Section 221(h) was done by a VISTA, as has been all of the counseling activi-

ties in the HUD/Section 235(i) program. (To help families in the urban program, SHE had been designated by HUD as an official counseling agency under Section 237, but, as no funds were forthcoming to hire staff, Volunteers agreed to assume the task.) In 1972, SHE received $100,000 from HUD Subsidized Housing Programs to provide staff for the urban housing program, and most Volunteers were transferred from the production part of the program to provision of other services in home ownership counseling.

There is not space here to devote to all of the valuable works performed for SHE and SHE families by VISTA over the years. Volunteers have organized a self-help project for Indians, set up furniture workshops, provided technical assistance to SHE's modular component housing program, designed housing plans and tutorial projects, and carried out extensive research on consumer problems related to participant families. Volunteers have also prepared many of the internal documents which guide SHE in working with families, including handbooks and definitive material in areas of budgeting, financial counseling, consumer education, insurance, landscaping, and home maintenance. Additional to their regular program assignments, many VISTA also found time to assist with local Head Start projects, conduct sewing and pre-school classes, prepare working drawings for community centers, supervise youth groups, and become involved in development of medical clinics, drug abuse centers, and family planning programs.

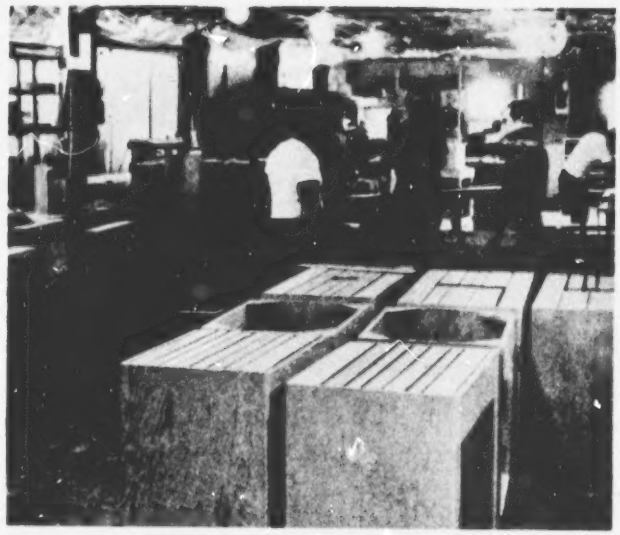
All of these efforts--many of which are continuing--have been subsidized by OEO, whose regional office has provided all supportive services, including reimbursement to SHE for administrative and supervisory costs.

The SHE Cabinet Shop

Originating as a part of SHE's Materials Research Program, the Cabinet Shop opened in late 1967 with private grant support from the Rosenberg Foundation. The Cabinet Shop was designed to provide high quality products for participant homes at less than commercial rates, and to offer skills training and good jobs to trainees (most from seasonal farm work backgrounds) interested in carpentry as a career. Participants have been placed in this program through NYC and Mainstream projects of the Department of Labor and the WIN program of the California Human Resources Development Department, and many have been themselves SHE homebuilders.

The Shop has produced 1,158 complete kitchen cabinet sets and 1,280 bath vanities since it began production, and has a production capacity of two complete sets of kitchen cabinets per day, enabling it to meet nearly all peak demands of SHE. In addition, the Shop supplies precut shelves, window sills, trim and prefinished mahogany base on order, and has produced 9,146 interior and exterior pre-hung door sets to date.

Learning from the James Smith survey of SHE home owners that tile was not always giving good service, the Shop in 1971 became a distributor for vinyl asbestos floor tile for SHE, able now to offer tile fifty percent thicker for the same cost as that previously used.



The SHE Cabinet Shop has had average gross sales of $23,000 per month and has proven itself capable of excellent quality and high level of production.

Bravo Industries, Inc.

Searching always for ways to cut costs and shorten building time, SHE in 1969 created a factory to produce modular components for construction. The factory was called Bravo Industries, (B.I.) a part of SHE's manufacturing division which also included the Cabinet Shop. B.I. obtained its initial support from $85,000 in two contracts awarded to it by HUD, and a grant to SHE of $50,000 from the Ford Foundation. The HUD funds provided capitalization and the Ford money technical assistance to the development of a new delivery and erection system for SHE homes.

Although the principle purpose of Bravo was to enable SHE to build houses in a shorter amount of time by providing a unique method of supplying labor and services to projects, Bravo was also designed to reach areas where SHE might be unable to form a group. And like the Cabinet Shop, Bravo would offer steady employment and excellent skills training to many farm laborers. Too, Bravo represented a partial response to the impact of the 1968 Housing Act which had resulted in increasing competition to SHE by local builders because of attractive interest rates, and demonstrated the need for SHE to explore even more efficient and effective methods of operation. This latter requirement would become especially crucial if SHE were to justify continued funding in the face of severe Federal cutback nationally.

The component systems and modules developed by B.I. grew out of SHE experiments with the Project 21 design (see EXPERIMENTS, INNOVATIONS, AND TRENDS), and were tailored to the needs of the unskilled, combining efficient installation with a low degree of difficulty.

The basic B.I. production unit consisted of four component systems: (1) exterior wall, (2) interior wall, (3) heating, and (4) plumbing. Around these were designed four mechanical kits containing all material and parts for electrical, plumbing, venting, and heating and cooling. Each kit was intended to follow its own system and integrate with companion systems. Labor for assembly on-site was contributed by B.I. field staff.

In addition to working with self-help groups, Bravo enabled SHE for the first time to reach families in remote and isolated areas, helping those who could not be part of a mutual self-help project to use self-help techniques in construction of their own homes.

Although Bravo is now independent of SHE and has suffered financial reverses, it continues to function and has managed to serve successfully as a training location for enrollees of a Department of Labor Mainstream manpower program. In 1971, twenty-six economically disadvantaged persons were trained by Bravo in construction work, and after an average of nine months training and sixty-two hours of class instruction, twenty-one enrollees were placed in full-time jobs. Twenty of these were in construction and represented both an employment gain and an average earnings increase of $972 per year to the enrollees.

Contract Opportunities, Inc.

Contract Opportunities, Inc., (COI) was initiated by SHE as a job development experiment to assist low-income rural residents to obtain contracts for work with the Forest Service, Park Service, and other public or private bodies. These contracts, once obtained, were to be controlled by the Small Business Administration (SBA).

Showing early promise of success, COI received a grant of $200,000 from OEO to develop the program as a SHE delegate. The viability of the contracts concept became well established, and COI was able to secure sixty contracts worth $350,000, and organize approximately 250 families into twenty small businesses. Under COI, the first SBA 8(a)/U.S. Forest Service timber stand improvement contract in the United States was successfully completed. The average daily wage to participants came to $25 - $30, giving an additional income to participating families of about $1,500.

Unfortunately, COI and its profit-seeking corporation, WOCALA, experienced serious financial and adminstrative problems after their successful first year, and operations ceased at the end of June, 1972.

Housing/Manpower Subsidy Demonstration

SHE was funded by OEO and the Department of Labor (DOL) in January, 1972, to conduct a two and one-half year Housing/Manpower Subsidy Demonstration Program involving construction of 120 homes. This program is directed at training of low-income, under-employed heads of household in various construction skills, and subsequent placement of those trained in full-time, entry-level employment in the construction industry. Enrollee costs are paid out of the Mainstream manpower funds of DOL with OEO covering supervision, training, and supportive services.

Trainees in this program construct low-cost houses which are then sold to low-income families who could not otherwise afford a home. The families themselves do about ten percent self-help labor, including painting, laying of floor tile, erecting fences, and landscaping. As of May 1974, 42 men had been placed in jobs (twenty-two of these in construction), another thirty were active in the program, and twenty-seven homes had been completed with an additional ten under construction.

As each trainee is taught construction skills, he also receives concurrently four hours per week of classroom instruction in adult basic education from a VISTA Volunteer. Staff is responsible for job development and placement, while a SHE Recruiter locates eligible home buyers, a SHE Loan Processor assists with loan applications, and a SHE Home Ownership Trainer prepares participant families for occupancy.

The Housing/Manpower Subsidy Demonstration Program is operated in the City of Corcoran in Kings County, and is one of eight such demonstration projects funded across the country. Total funding for the SHE program is $676,500, including wages for the trainees.

Self-Help Housing Rehabilitation

Through the Community Action Agency of Tulare County, SHE obtained a small grant of $31,000 in 1974 to conduct a modest housing rehabilitation demonstration project. Using two staff and VISTA Volunteers, these OEO funds will enable SHE to assist ten low-income home owners to obtain loans for substantial rehabilitation on their houses, and provide a similar assistance to twenty additional families who wish to do minor repairs or renovations. A third feature of this program will offer basic home maintenance education and budgetary counseling to assure that loans are repaid.

s is the first grant SHE has received through newly-formed anti-poverty agency of the County ulare.

ics and Community Centers

many years SHE staff and volunteers have sted San Joaquin Valley communities in self- projects only indirectly related to housing requiring resources and technical skills table only through SHE.

South Dos Palos, for instance, SHE worked with George Washington Carver Club on construction he Carver Community Center, a 4,500 square complex co-designed by a SHE VISTA architect former President of SHE's Board of Directors. center was most successful in terms of design and use, and eventually served as both a unity facility for the Midway and South Dos areas of Merced County and as shelter for a Headstart Program.

and Bravo Industries also collaborated on truction of a community center in Dinuba, County, with design assistance again from a architect. This building of 4,000 square contained a multi-purpose room and two day- rooms. Ownership of the Dinuba center is by Rural Action Groups, Inc., a self-help ciation of the poor created by the Tulare Community Action Agency.

he Tule River Indian Reservation in Tulare y, SHE provided a supervisor to assist in truction of a health clinic. The Tribal il of the reservation initiated this project HE donated architectural time to it. Once eted, the clinic was staffed through funds the Department of Health, Education and re.

rterville, Bravo Industries built a clinic SHE providing volunteer design assistance and contributing material and labor at cost. In , a remodeled church was converted into the Health Clinic--SHE providing plans, limited supervision, and considerable volunteer time.

orhood Youth Corps/Operation Mainstream

y of 1973 SHE became a delegate through the of Tulare for operation and administration o programs funded by the Department of --NYC and Operation Mainstream (see Housing/ er Subsidy Demonstration). The NYC (out-of-) program offers work experience, training, and counseling to youth who have left high prior to graduation. Enrollees usually ithin local government agencies, schools and fit organizations. A number of summer lees in this program have been placed with several rural communities, performing minor repair for elderly and low-income home .

ion Mainstream is a work experience and ing program for older unemployed persons. ees receive work experience, skills training, lated education, and career counseling. SHE es Mainstream in both Kings and Tulare es.

American Friends Service Committee

Throughout its history SHE has continued a close and rewarding association with its parent organization, the American Friends Service Committee. Under the direction of AFSC, SHE has provided supervised sponsorship of several AFSC Work Camps for high school students from the San Francisco Bay Area. Young people have given their Christmas, Easter, and summer vacation time to work on self-help SHE projects in the counties of Stanislaus, Merced, Fresno, Kings, and Tulare. In 1969 SHE responded to a request from AFSC/San Francisco to provide assistance to its El Porvenir self-help project in Three Rocks and carry it through to completion. Again in 1971 SHE entered into a joint effort with the Tulare County AFSC Farm Labor Committee to build a home in North Visalia for a very impoverished family with 15 children. This project, known as the Renteria House, combined volunteer assistance from SHE, members of the AFSC Committee and the family itself.

Franciscan Brothers

For several years beginning in 1968, four Franciscan Brothers donated their services in land development and construction to SHE projects in Fresno County. They lived with participant families and their labor contributed to lowered building costs and increased participant morale.

The Jim Smith Survey

By the end of the year 1970 there were 770 families living in SHE homes, and a definitive study by Dr. James Smith of Pennsylvania State University was completed on eighty-one of these who had been owner-occupants for more than six months. Among the significant findings, Dr. Smith reported that . . .

. . .the average income of families entering the program increased from $3,500 a year to $5,284 a year, or $1,800 in approximately two years, that
. . .only five percent of SHE families suffered domestic dislocations and ninety-two percent had a male head of household employed full-time, that
. . .only forty-six percent of the initial one hundred percent of participants remained seasonally employed in farm labor, and that
. . .families began improving their homes almost immediately upon occupancy, spending an average of $356 on home and yard.

The study also revealed improvement in family stability, in health and school attendance, and in attitudes toward neighborhood and community life. Less favorable findings indicated that in spite of the fact participant families tended to be large (averaging 6.4 persons as compared to 3.7 nationally), fewer than twenty-two percent of women under the age of forty-four used any form of birth control. The problems of large, low-income families were seen as compounded by the fact that most averaged undesignated debts of $426 and seventy-six percent had no liquid savings. Too, fully seventy-two percent had gone into debt to finance furniture

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and another twenty-one percent stated that they were delinquent in their payments to FmHA--an estimate regarded as significant considering the relatively brief period of residency of the sample.

SELF-HELP ENTERPRISES

A Continued Beginning (1971 - 1974)

Any housing program is a complex formulation, but a self-help housing effort is immeasurably more so. The building of self-help homes depends heavily on the building of self-help relationships, on strong human bonds forged between members of mutual-help groups. Yet this is also the strength of self-help housing, that while it assists families in acquiring adequate shelter it also helps them become neighbors, friends, and citizens of their community.

As SHE entered its seventh year of operation with a one million dollar grant from OEO, FmHA awarded funds for a two-year technical assistance support to SHE projects in Merced and Fresno County. The amount of the first year grant was $152,000 and permitted SHE flexibility to work with families having slightly higher incomes who need not derive their principal employment from seasonal farm labor. This increased flexibility was especially important to SHE as OEO income guidelines had become increasingly restrictive, forcing abandonment of computed eligibility based on a three-year earnings average and virtually eliminating small, low-income families from consideration. This new OEO policy resulted in a serious constraint on SHE's home ownership program. The FmHA funds, on the other hand, held another constraint by limiting the amount of money which could be spent per family--thus necessitating a shorter building time with additional subcontracts, and eventually increasing the total cost of the house. In 1972, FmHA would extend its technical assistance support to San Joaquin County.

SHE's urban housing program used up its initial one hundred grant reservations of HUD/Section 235 assistance in 1971 and was allocated one hundred more. Construction loans, always difficult to secure, were obtained at zero to market interest rates from churches, banks, savings and loans, and other sources. HUD allowed their $150,000 Land Loan Fund to be applied for a second year, and in 1972 SHE received $100,000 from HUD through Section 106(a) of the 1968 Housing Act to staff the urban program.

The 1970 Housing Act had eliminated the requirement that FmHA County Committees screen all housing loan applicants and allowed FmHA now to serve communities up to 10,000 in population. Concurrently--and in partial response to delinquencies in its 502 program--FmHA began to look more carefully at the credit picture of applicant families and moved to apply more stringent criteria for qualification.

In October, 1971, SHE reached a major production milestone of 1,000 houses completed and occupied. The 1,000th home was built in Dos Palos, one of the first communities SHE had entered six years before, by Mrs. Onelia Davis, a widow with seven children.

SHE's major resource problem continued to be the acquisition of funds for land development. In 1972, OEO funded a national Housing Assistance Council (HAC) to provide land loan money and technical assistance to nonprofit housing agencies throughout the country. For more than a year, however, HAC was not permitted by the Governor of California to loan money in the State. When authorization to operate was finally granted, SHE became the largest borrower from HAC, obtaining $345,000 for nine developments in eight communities.

On January 12, 1973, the Administration put a freeze on most subsidized housing programs. SHE's HUD/235 urban program would have to be phased out as existing allocations of subsidy money were used up. This was especially discouraging in view of the fact that the Government's own research had proven that it put less subsidy into a self-help 235-financed home than into a similar contractor-built house, and the additional fact that only eight percent of housing subsidies had gone to families earning less than $3,000. Further, SHE believed that inflated building costs, land costs, and financing costs had made it impossible for low-income families to have home ownership without subsidy in partnership with self-help. SHE attempted to get subsidy reinstated for self-help 235, but was not successful. The freeze also affected Farmers Home 502 loans, but here a parallel interest subsidy was allowed to continue for self-help programs. Several months later this interest subsidy was reinstated for contractor-built housing also.

To increase awareness of and support for self-help, SHE and the Rural California Housing Corporation sponsored a California Self-Help Housing Day in Galt on March 16, 1973. Approximately 500 persons attended and both the State Senate and Assembly designated a "Self-Help Housing Week," commending self-help programs for their valuable contribution to community life.

But late that year SHE faced its most serious crisis to date as OEO migrant funds were severely reduced. SHE had received eight annual grant awards from OEO, but now--if it were to survive at all--it would have to eliminate many of its social services and demonstrate its adaptability to the requirements of a more production-oriented program. In imminent danger of dissolution, SHE decided to seek substantial funding for its entire program through FmHA and on July 31, 1973, approval was given by FmHA to begin an eight-county, eleven-month grant with $801,400 in technical assistance support.

In anticipation of the FmHA grant, SHE restructured its organization to improve program efficiency and reduce costs. All county offices were combined into three field offices--North (Modesto), Mid (Fresno), and South (Visalia) areas--and a centralized authority system created to assure more rigid production and program controls.

As of July 31, 1974, 1,536 families were occupying

SHE homes and the total number of participants had reached 10,594. FmHA agreed to refund SHE for the year beginning July 1, 1974, at approximately the same level as their previous grant, but the future remained uncertain as the Administration failed to request any funds for FmHA technical assistance in its 1975 budget. This fact, taken together with an inflationary spiral which has caused land costs to double in the past two years alone, has left SHE's ability to continue operation of a Federally assisted self-help home building program clouded and in doubt.

THE YEARS BEHIND, THE DAYS AHEAD

SHE could not have hoped for such a rapid and remarkable success had not a favorable political climate and a fortuitous San Joaquin Valley history combined in near-perfect circumstance. Obviously, the people were here and the need for housing. And much of the Valley had been subdivided in the early 1900's, creating a substantial number of undeveloped lots within many small communities. But SHE also began as many farm workers were abandoning the migrant stream and settling permanently in the towns of the San Joaquin. Too, SHE had the advantage of AFSC's experience and encouragement, a factor which contributed to strong local support from Farmers Home for the self-help program. The SHE Board of Directors--professionals committed to the self-help concept--has provided an uncommon directional control through the years, consistently placing program loyalties ahead of any personal disagreements. SHE staff and volunteers, as well, have been of high caliber and many have remained for long periods of service.

The major problem in housing America's poor has always been the difference between what private enterprise has been willing to accept and what the poor could in fact afford. Low and moderate income families must usually spend five to fifteen percent more on comparable housing than other citizens and therefore have not only less money but need to commit a higher proportion of limited funds to shelter.

The self-help process, combining supervision with sweat equity, has been a partial answer to this problem. But an economic evaluation of self-help must include its costs as well as cash savings and is complicated by the different values people in differing social and economic contexts place upon their time. Self-Help must be looked at both in terms of the savings that the self-helper obtains over available alternatives and in terms of the equity he can earn through a reduction in the mortgage required. Given today's building costs and interest rates, even a subsidized self-help family of lower income might easily find itself saddled with onerous monthly payments and strapped to a housing standard difficult to adequately maintain. Attempting to carry this burden, a family might be forced to an upward mobility it could not sustain, and thus suffer the psychological consequences of entrapment. In such a circumstance, the self-help method becomes a mirage and home ownership an economic deception.

"In America," writes Richard Margolis, "a man's home is not so much his castle as his crown." But for the very poor that crown is often filled with thorns. If those at the lowest levels of our society are ever to have decent housing, a new flexibility in programming must be allowed and a new formula found and funded wherein housing needs to this market can be met through a combination of self-help and subsidy, grants and no-interest loans, and increased production of rental and leased units. This last is important, for while many families are strongly motivated by opportunities for ownership, many others are seeking more temporary accommodation or prefer to avoid the liabilities of owning a home.

SHE's major success has been survival, but to continue to survive it will probably have to change its scale and depart from traditional methods of operation. To reduce costs, and compensate for a diminishing number of lots of record, SHE will probably have to move in the direction of larger subdivisions in a smaller number of communities, and there is the possibility that the self-help concept may prove unworkable in an expanded context. Too, it has become increasingly difficult to attract quality staff within budgetary restrictions, and this fact, coupled with uncontrolled inflation, could in itself choke off the agency.

But SHE has survived--often against overwhelming odds--and for as long as the need exists, Self-Help Enterprises will continue its struggle to make decent housing a reality for the disadvantaged residents of California's San Joaquin Valley.

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TABLE OF FUNDING SOURCES

PUBLIC

Grants

U.S. Office of Economic Opportunity (OEO)
U.S. Department of Housing and Urban Development (HUD)
U.S. Department of Agriculture (FmHA)
Model Cities Program - City of Fresno (HUD)
Rural Development Corporation (OEO funds)

Land Loan Funds

U.S. Office of Economic Opportunity
U.S. Department of Agriculture
U.S. Department of Housing and Urban Development

PRIVATE

Grants

American Friends Service Committee (AFSC)
Rosenberg Foundation
Ernest D. and Eleanor Slate van Loben Sels Charitable Foundation
Ford Foundation

Gifts

American Friends Service Committee
Kern County Land Company
Visalia Episcopal Church
Individual Donors

Loans

Housing Assistance Council
Rural Housing Alliance
National Office of the Episcopal Church
National Spanish Speaking Housing Development Corp.
Wesley Methodist Church
City of Fresno (Employee's Credit Union)
Businesses
Banks
Savings & Loans
Individual Persons

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Family Progress Report

July 31, 1974

	Organizing Phase	Loan Processing	Construction Phase	Homes* Occupied	Total* Families	Total* Participants
SELF-HELP ENTERPRISES						
Rural by Counties:***						
Fresno/Madera	27	9	34	337	407	2488
Kern/Kings	16	8	--	227	251	1523
Merced	--	3	17	158	178	1067
San Joaquin	--	-	2	8	10	60
Stanislaus	14	10	27	219	270	1526
Tulare	12	5	16	414	447	2559
Subtotal	69	35	96	1363	1563	9223
Housing/Manpower:**						
Corcoran (Kings County)	--	9	14	21	44	239
Urban by Counties:***						
Fresno/Madera	--	7	5	67	79	489
Kern	--	-	-	14	14	81
Merced	1	6	7	18	32	219
Stanislaus	--	-	-	10	10	55
Tulare	5	-	-	43	48	288
Subtotal	6	13	12	152	183	1132
TOTAL	75	57	122	1536	1790	10594
AMERICAN FRIENDS SERVICE COMMITTEE						
Rural						
Tulare County				20	20	124

*Cummulative Totals

**FmHA 502 Loans

***HUD 235 Loans

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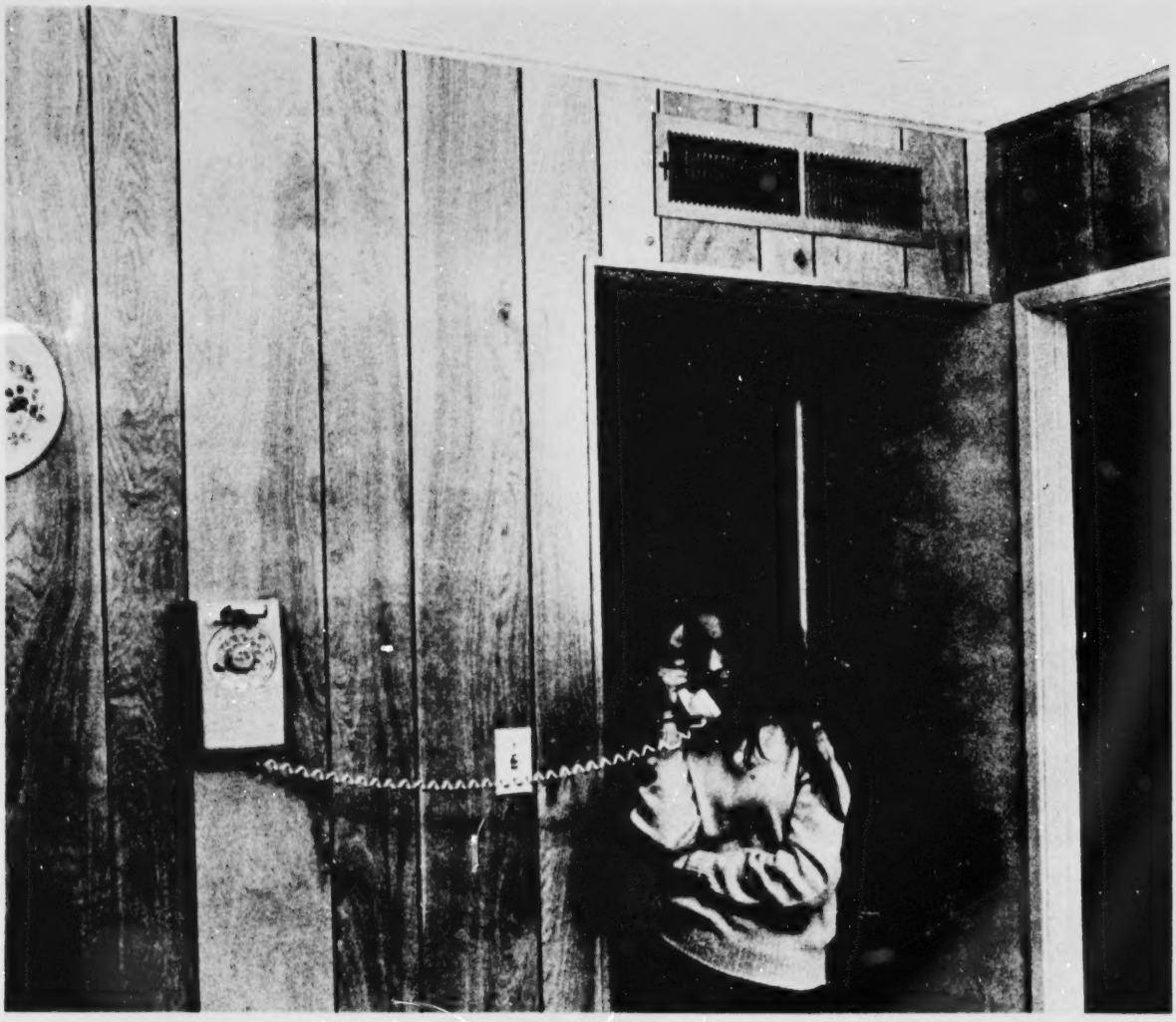

Photos by

George Ballis, Jim Stein and others